

TEP:gfg (082683 - 40)  
CDA/MPP & HDP

Page 3 of 12

insurance, plus one-twelfth of yearly condominium or homeownership fees, if any and unless otherwise directed by Lender (such taxes, assessments, charges, premiums, rents and fees being called collectively "Assessments"), all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Assessments paid to the Lender shall be held by the Lender in trust solely for the purposes indicated. Such deposit as required by this Deed of Trust shall be known as the "Assessments Account", and shall be maintained as a separate account on the books of the Lender. Borrower shall promptly pay all of the Assessments when and as the same shall become due and payable and charge such payments to the Assessments Account. If required by applicable law, Lender shall credit to the Assessments Account interest thereon at a rate of not less than that required by such law, computed on the average monthly balance accrued in such Assessments Account. If the Assessments Account is transferred to another lender that would not be required by law to pay such interest if such lender had created the Assessments Account, the Borrower agrees and consents that such lender need not credit interest on the Assessments Account.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable before the due dates of the Assessments, shall exceed the amount required to pay the Assessments, as they fall due, such excess shall be, at the Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds or towards the outstanding principal and interest. If the amount of the Funds held by Lender are insufficient to pay the Assessments, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 21 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately before the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first to interest payable on the Note, then to the principal of the Note, then to amounts payable to Lender by Borrower under paragraph 2 hereof, and then to interest and principal on any Future Advances.

4. Late Charge. If any monthly payment or part thereof is made more than fifteen (15) days after the due date, Borrower shall pay a late charge in an amount equal to four percent (4%) of said late payment.

5. Charges; Liens. Borrower shall pay all Assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower